

# Industrialization in the United States



# The Main Idea

- American industry and business grew rapidly in the late 19<sup>th</sup> Century (Late 1800s).  
The growth allowed America to grow quickly but also brought about new challenges.



# Factors Leading to Growth

- Natural Resources & Raw Materials
- Abundant Labor Supply
- Growing Population
- Advanced Transportation Network
- Capital → Money Available
- New Technology & Machines
- Gov't Policies Were Pro-Business
- Entrepreneurs



# Railroads & Business

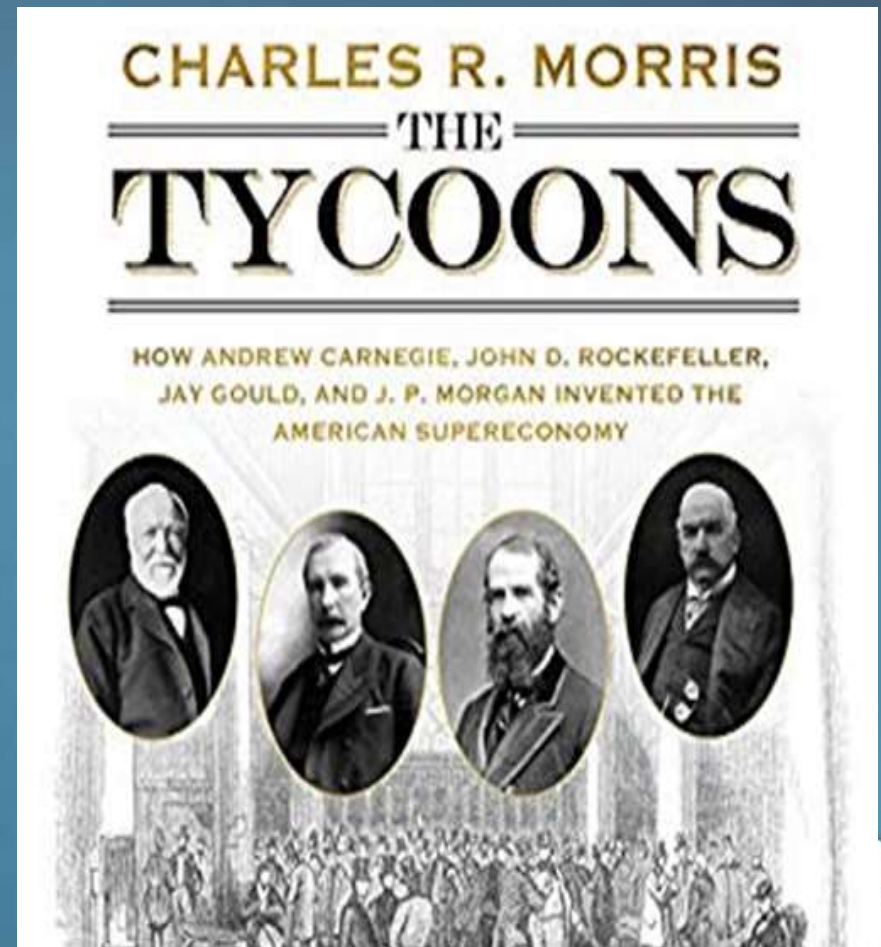


- The Nations 1<sup>st</sup> Big Business
- Created a national market for goods.
  - Allowed for businesses to expand.



# American Tycoons

- Tycoon → A wealthy, powerful person in business or industry.
  - John D. Rockefeller
  - J.P. Morgan
  - Cornelius Vanderbilt
  - Andrew Carnegie
  - Jay Gould



# What were they?

- A "Robber Baron" is a derogatory metaphor of social criticism originally applied to certain late 19th-century American businessmen who used corrupt/dishonest methods to get rich.
- A "Captain of Industry" was a business leader whose means of amassing a personal fortune contributed positively to the country in some way.



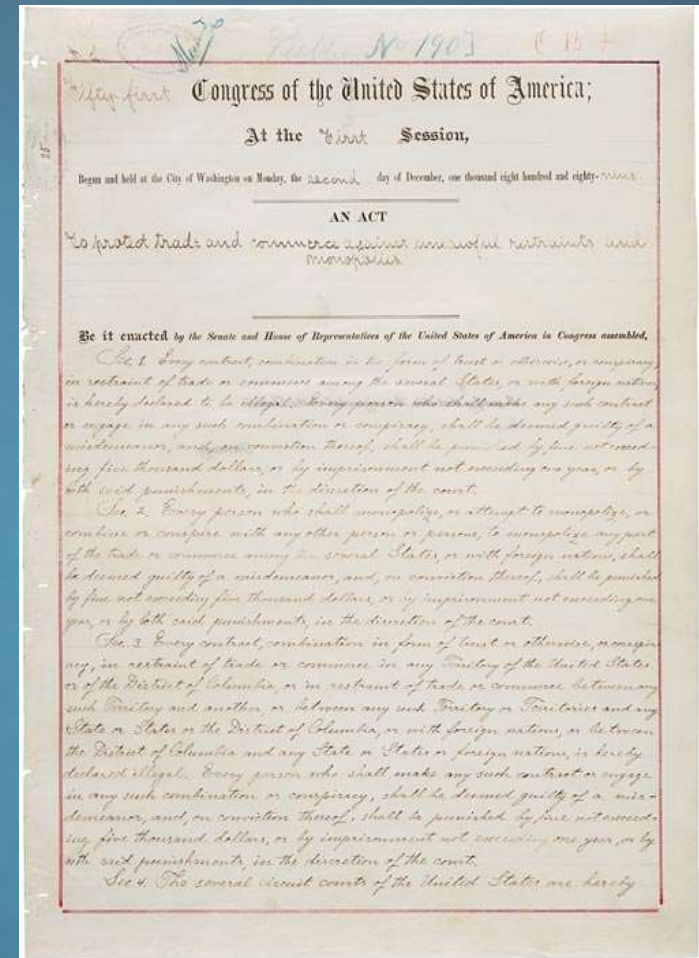
# Sherman Anti-Trust Act (1890)

- The tycoons had formed monopolies over their industries.
  - Can be bad for business and the economy.



# Sherman Anti Trust Act (1890)

- Made it illegal to form trust that interfered with trade.
- Prohibited monopolies and activities that hinder competition in the marketplace.
- Also made current monopolies illegal as well. (Tycoons)





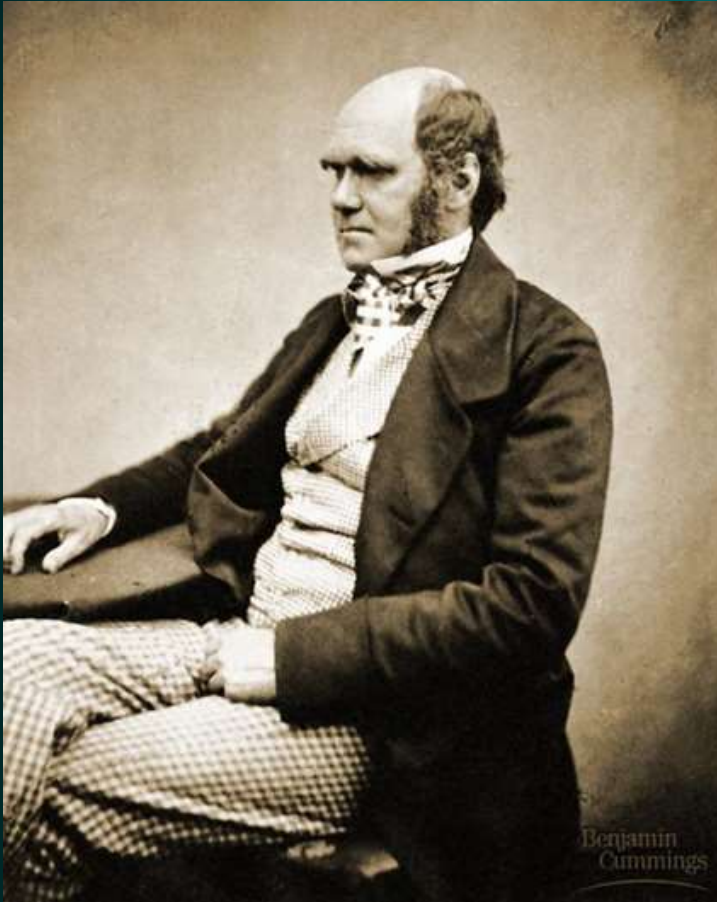
# **Economic Policies & Ideas**

# Laissez-Faire Capitalism

- Economic idea that the government should not get involved in business affairs.
- Avoid government regulation (rules) toward businesses.



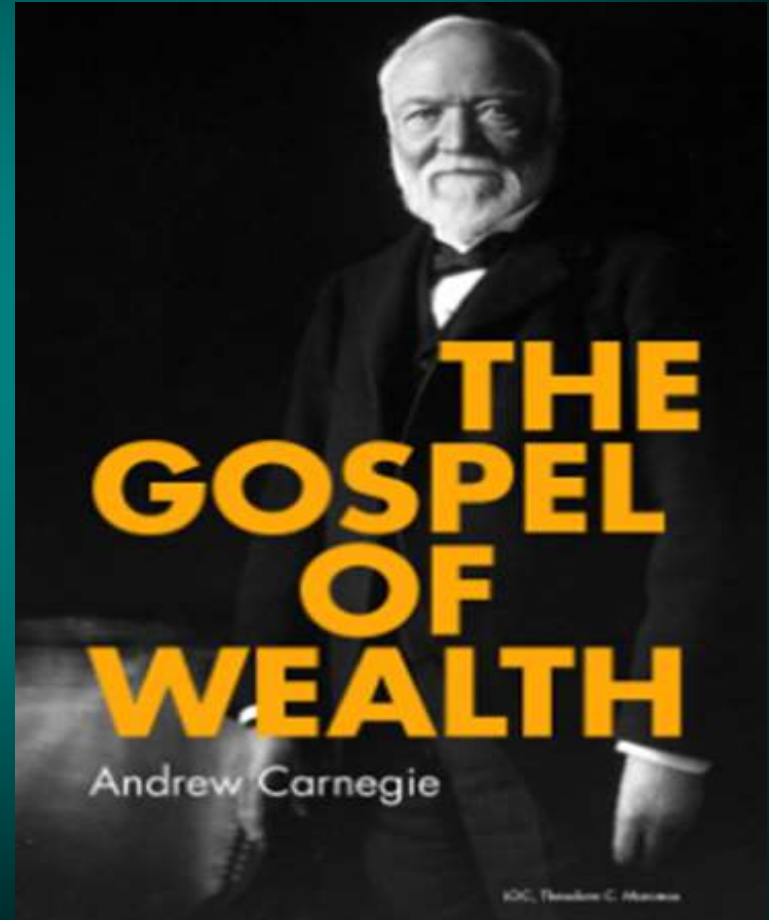
# Social Darwinism



- Takes the ideas of Darwin's theory of evolution and applies it to business.
  - Natural Selection
- The strongest businesses should survive and the weak ones fail.

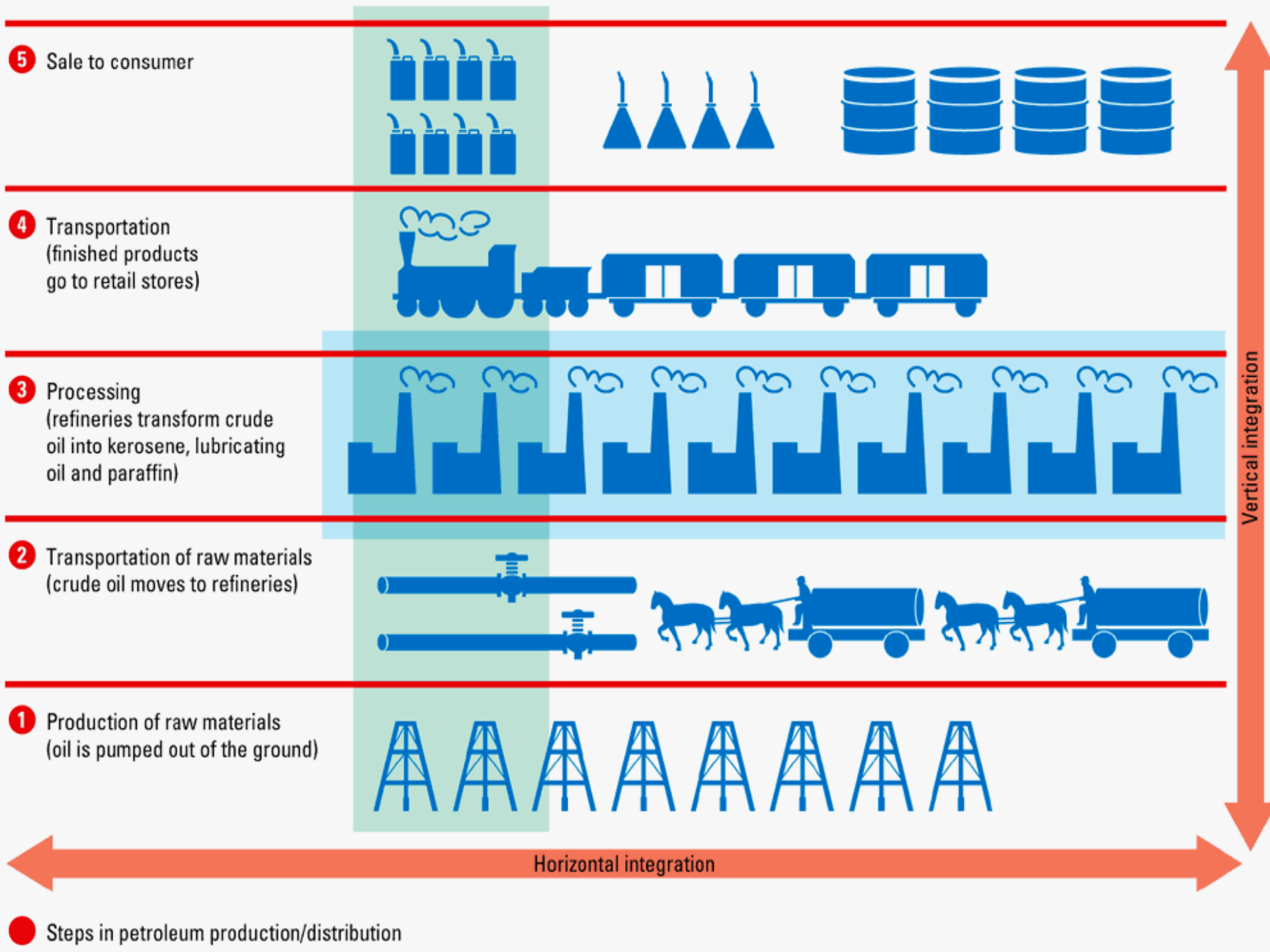
# Gospel of Wealth

- Said that everyone had a God-given responsibility to give back and commit philanthropy (acts of charity) to help society.
  - Carnegie gave more than \$350 million.



# Vertical & Horizontal Integration

- Vertical Integration → In this system, one company controls all stages in the production of one product.
  - Ex. Automobile Industry (Assembly Line, All Parts)
- Horizontal Integration → To combine businesses from the same industry into one.
  - Ex. Oil Industry (Buying all oil refineries)



# Order of Operations

1. You will read the tycoons biography reading and complete the graphic organizer.
  1. Answer the questions with the G-O on the back of the paper.